

BOARD OF TRUSTEES
Division of Public Works Retirement System
Meeting Minutes
March 29, 2016

A meeting of the Board of Trustees, Public Works Retirement System was held at 11:30 a.m. on Tuesday, March 29, 2016 in the DPW/Admin Conference Room located at 9 Riverside Street. Chairman, Frank Anderson presided.

Trustees Present: Frank Anderson, Mayoral Appointee
Paul G. Bergeron, BPW Commissioner Representative
Ben Bausha, Employee Member
Kathie Berube, Employee Member
Michael O'Brien, Aldermanic Liaison

Trustees Absent: None

Others in Attendance: David Fredette, City Treasurer
Mary Woods, Administrative Assistant
Mr. Eric Stubbs, Senior VP, RBC Wealth Management

Expected Visitors:

Mr. Eric Stubbs from RBC Wealth Management gave an overview of the Fixed Income Portfolio Report. Review will be light this month because there will be a full report next month. Quick review, over a 12 months basis. Fixed income bonds are up a little. Mr. Stubbs commented that what we don't have in our portfolio are the commodities right now which is not a bad thing. The market went up a little in February but Mr. Stubbs stated that the market is affected by "earnings" and "price earnings ratio." You can make a good prediction of what the "earnings" will be. It's a little harder to predict the "price earnings ratio". He predicts next year will be an "up" year for the stock market. Trustee Anderson asked about the impact of the "Presidential Election" this year. Mr. Stubbs said studies show that it really has no impact on the market and to just ignore it. Trustee Anderson also asked about our equities internationally. Mr. Stubbs said we are 23% international and 77% domestic equities. Trustee Bergeron asked what the "high" mark in equities was and Mr. Stubbs replied it was 63% and now we are 58%. It was mentioned that we would get our new board members (Kathie Berube & Mike O'Brien) copies of the Investment Policy. The handout given was a bond portfolio this month. It is a combination of corporate & treasuries. It was stated that we have a very solid fund per Trustee Anderson.

Minutes of the Meeting:

The minutes of the February 23, 2016 meeting were presented for review and acceptance.

MOTION BY: Trustee, Paul Bergeron moved to accept, place on file, and approve the minutes of the February 23, 2016.

SECONDED BY: Trustee, Michael O'Brien

MOTION CARRIED: Unanimously

DISCUSSION:

Personnel:

The resignation of Mr. Eric Ryder was presented to the Trustees effective March 7, 2016, after 2.4 yrs. of service. He worked for the Street Department.

MOTION BY: Trustee, Frank Anderson moved to approve the Lump Sum Option for Mr. Eric Ryder.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

The resignation of Mr. Robert Saunders presented to the Trustees effective February 26, 2016, after 1 yr. of service. He worked for the Engineering Department.

MOTION BY: Trustee, Michael O'Brien moved to approve the Lump Sum Option for Mr. Robert Saunders.

SECONDED BY: Trustee, Ben Bausha

MOTION CARRIED: Unanimously

The retirement of Mr. Andrew Landry was presented to the Trustees effective March 16, 2016, after 39.58 yrs. of service. He worked for the Street Department.

MOTION BY: Trustee, Frank Anderson moved to approve the Life Annuity Option for Mr. Andrew Landry.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

Old Business:

Continued the discussion of a new s/w system that is needed to manage the pension. Mr. Fredette said that he is still pursuing this issue. Mr. Fredette also handed out a list of retirees that had passed away. It was brought up that City employees would like to be notified when a retiree passes away. Mr. Fredette mentioned that maybe they could let Mary Woods know and she would get word out to the Departments. Trustee Berube also mentioned that personnel files need to be updated to which Mr. Fredette said they are working with Human Resources on getting a letter out to employees to update their files. There was a discussion on how the City is notified when a retiree passes away and how do they make sure the benefits are discontinued. Mr. Fredette

said they usually find out from family members when they contact the City to collect the death benefit.

New Business:

Approval of the current disbursement of funds for the period of February 1, 2016, thru February 29, 2016 in the amount of \$229,879.78 was presented to the Board. The Trustees reviewed the detail.

MOTION BY: Trustee, Frank Anderson moved to approve the current disbursement of funds pending a quick look at February disbursements for the period of February 1, 2016, thru February 29, 2016 in the amount of \$229,879.78

SECONDED BY: Trustee, Michael O'Brien

MOTION CARRIED: Unanimously

DISCUSSION:

Period for Public Comment:

None

Items by the Trustees:

Mr. Fredette handed out the Board of Public Works Employees Retirement System Booklet for review. Trustee Berube provided the pictures on the cover and back of booklet. Trustee Anderson pointed out the contact information on the front inside cover which they agreed was very beneficial. It was explained that these will be given out to current employees with their paychecks this week and will be given out to new employees.

Mr. Fredette asked Trustee Anderson if he thought they would be making any changes this year to the plan. Mr. Anderson thought that the only issue being discussed was the "mandatory lump sum" option. Mr. Fredette said he thinks that RBC will be bringing more information to the next meeting regarding this subject. The only thing that Mr. Fredette would like to see changed is the "step-up" option where an employee chooses that contingency option, and their spouse passes away, they would "step-up" to the life annuity option. Mr. Fredette mentioned that a lot more is explained to current retirees than in previous years and that could be why more employees choose this contingency option. Mr. Anderson commented that maybe Hooker & Holcombe can answer some questions for us. Trustee O'Brien asked if this was explained in the new booklet and it was answered that yes, it is on Page 14 of the new booklet.

Trustee O'Brien also asked about "quadro" which was explained that this is a legal term used when a person is divorced and is able to receive the retiree's pension. Mr. Fredette said he has been told that the City is "exempt" from this but is not sure if that is correct information. There was also a discussion on "deferred comp" and how important that is. It was agreed that maybe this is something the board could look at next year.

Next meeting is set for Tuesday, April 26, 2016.

MOTION TO ADJOURN: Trustee, Frank Anderson moved to adjourn at 12:32pm.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

Minutes Transcribed by: Mary Woods